

SCHEME TO WEAKEN CONTROLLER FEARED

In Light of Munsey Disclosures, Currency Clause Scares Bankers.

WOULD MAKE OFFICER SUBJECT TO TREASURY

President Said to Have Planned to Appoint Williams to Reserve Board.

(From The Tribune Bureau.)
Washington, Dec. 13.—In the light of the disclosure by The Tribune of the events which culminated in the absorption of the United States Trust Company by the Munsey Trust Company, including the usurpation of the prerogatives and authority of the office of Controller of the Currency by John Skelton Williams, Assistant Secretary of the Treasury, and the illegal deposit of \$1,000,000 of government funds in the Munsey Trust Company, there are two clauses in the administration currency bill, as agreed on by the Democratic caucus of the Senate, which occasioned serious apprehension to those bankers who have been studying that measure and who know The Tribune's revelations to be absolutely correct.

A provision in the so-called Owen bill seeks to make the Controller of the Currency a subordinate under the direction of the Secretary of the Treasury. This clause reads:

"There shall be in the Department of the Treasury a bureau charged with the execution of all laws passed by Congress relating to the issue and regulation of national currency secured by United States bonds and under the general supervision of the Federal Reserve Board, of all federal reserve notes, the chief officer of which bureau shall be called the Controller of the Currency and shall perform his duties under the general directions of the Secretary of the Treasury."

That this clause strikes a vital blow at the independence of the office of Controller of the Currency and constitutes not alone a menace to the entire banking community but practically an abrogation of the contractual relations of the government with every bank holding a national charter, is stoutly maintained by the bankers.

Would Control Fiscal Affairs.

Of importance second only to the clause quoted, and as clearly indicative of the determination of the political officials of the administration to maintain their control over purely fiscal affairs, is the following clause in the Owen bill:

"Nothing in this act contained shall be construed as taking away any powers heretofore vested by law in the Secretary of the Treasury which relate to the subdivision, management and control of the Treasury Department and bureaus under such department, and wherever any power vested by this act in the Federal Reserve Board or the federal reserve agent appears to conflict with the powers of the Secretary of the Treasury, such powers shall be exercised subject to the supervision and control of the Secretary."

While in operation the latter clause might not work injustice to the interests of the banks and their depositors, it is maintained that it would unquestionably furnish the Secretary of the Treasury with an undue control and influence over the Reserve Board which would be easy of abuse and might seriously menace the independence of the Federal Reserve Board.

It is the evidence of the invasion by political influence of the office of the Controller, which has been brought out in the United States Trust-Munsey Trust Company merger, which has so seriously alarmed the bankers and which they regard as of importance far paramount to the mere fact that the favoritism of the Assistant Secretary of the Treasury resulted in the donation of some \$5,000,000 of deposits to the Munsey Trust Company without any compensation therefor, and that it is keenly suspected that the unfortunate stockholders of the United States Trust Company have suffered more or less pecuniary loss as a result of that favoritism—notably through the non-acceptance of the offer of Nathan B. Scott, president of the Continental Trust Company, to come to the rescue of the United States Trust Company with \$500,000 cash raised on his personal estate.

It is this phase of the situation which actually alarms the bankers of Washington, and which it is believed will alarm the national bankers throughout the country once they gain an adequate appreciation of what has been going on in the Treasury Department and the extent to which the pending legislation may facilitate a continuance of the same character of administration.

Office Planned for Williams.

The Tribune correspondent learns on impeccable authority that President Wilson has told certain prominent Republican members of Congress that it was his purpose to appoint John Skelton Williams Controller of the Currency if that official was made a member of the Federal Reserve Board, and these members are convinced that when the currency bill was amended to omit the Controller from that board it became the President's purpose to appoint Williams a member of the board.

It is asserted with the utmost emphasis by these members of Congress, however, that since The Tribune has disclosed the course of John Skelton Williams in connection with the United States Trust-Munsey Trust merger and his usurpation of the prerogatives of the office of the Controller of the Currency, he can never be confirmed as a member of the Federal Reserve Board, and that it is, indeed, doubtful if he could be confirmed for any other fiduciary office in the government.

The national bankers who have been analyzing Frank A. Munsey's statement, especially that portion in which

THE CURRENCY QUESTION.



"Now, if I wuz President"

he acknowledges his repudiation of the pledge made on his behalf by his personal representative, Mr. Oliver, that he would deposit \$500,000 cash in the Munsey Trust Company, point out that he is scarcely ingenious in his final paragraph on this subject.

Mr. Munsey says "It was finally agreed at that meeting that it should be left to Mr. Plather, chairman of the Clearing House Association, and to myself to determine if there was any occasion for bringing the money from New York. Up to date I have received no notification from Mr. Plather of any occasion for bringing on the money, and I have seen none myself. If there had been any necessity for it it would have been done."

Employee Humiliated.

It is pointed out that, with the Assistant Secretary of the Treasury, John Skelton Williams, bitterly hostile to the Riggs National Bank, of which Mr. Plather, chairman of the Clearing House, happens to be cashier, the latter cannot count on any assistance from the Treasury Department in its representation to Mr. Munsey that it is necessary or advisable that he make good this promise; that any effort on the part of Mr. Plather to induce him to make good the pledge of Mr. Oliver would, judging by past experience, probably serve only to elicit from the Treasury officials and those sources of publicity which they control further denunciation of the Riggs National Bank, and that, finally, the Clearing House banks cannot appeal to the acting Controller of the Currency to support their contention without placing in an embarrassing position an employee of the Secretary of the Treasury, who has already suffered indignity and humiliation because he expressed a conviction opposed to that of John Skelton Williams, and who in his position might suffer still more severely were he now to support the views of the bankers in opposition to the wishes of the Assistant Secretary.

Stuart Oliver, the personal representative of Frank A. Munsey in the negotiations which resulted in the acquisition by the Munsey Trust Company of the United States Trust Company, has made public in Mr. Munsey's Baltimore newspaper a defence of his chief against what he describes as "a series of attacks on the part of a New York newspaper," and the Oliver statement, which appeared as a preface to Mr. Munsey's own statement, is being read with much interest in financial circles here as simply confirming the statements made in The Tribune's Washington dispatches.

Bankers' Contentment Upheld.

After announcing that Mr. Munsey did "a big" thing in "a big way"—both "big" all in capitals—and assuring the public that "Mr. Munsey may have done a great many big things in his life, but this, to my mind, will always stand out as his biggest single accomplishment," Mr. Oliver goes on to say that the condition of the United States Trust Company was brought to the attention of himself and other of Mr. Munsey's representatives in Baltimore and Washington several weeks ago.

This statement supports the contention of the Washington bankers, who maintain that the Munsey people have undertaken knowledge of the situation of the United States Trust Company for a considerable time, and who regard the assertion in Mr. Munsey's statement that he had known nothing of the troubles of the United States Trust Company until the day before his arrival in Washington, the day of the run, and of his proposals to acquire the \$5,000 deposits of that bank with some measure of skepticism. Although they are quite prepared to admit that

the requirement of \$5,000 deposits without a penny's compensation therefor was a big accomplishment, perhaps the biggest in Mr. Munsey's life, they cannot escape the conviction that so big an achievement could not have been accomplished without the special favor of the Assistant Secretary of the Treasury, John Skelton Williams.

WARNS U. S. AGAINST ENGLISH 'REFORMS'

George Lansbury, Criticising Organized Charity, Takes Fling at Old Age Pensions.

George Lansbury, the Englishman who resigned from Parliament because the labor party, of which he was a member, refused to demand suffrage for women, talked to a good-sized audience at the Hudson Theatre yesterday about poverty and the way it is dealt with in England. He said that charity was like throwing money at a ladder. Some of it stuck to the rungs and the poor got it, but the most of it went through the holes and to the "well-fed, well-kept officials who administer public charity."

"There is a theory," he said, "that if you give the ready help in a pleasant way, a way they like, it will be bad for their morality. So in England we build workhouses that are the ugliest things on God's earth, and herd the poor in them. It costs £2 a year to maintain an individual on indoor relief and £5 on outdoor relief. But I have been an administrator of the poor law for years, and I know there are thousands who are eligible to outdoor relief who are in workhouses, because the pittance given in outdoor relief won't keep soul and body together."

Mr. Lansbury cautioned America not to copy England in passing a national insurance act or an old age pension law, which are merely palliatives. "Our national insurance act," he said, "plays into the hands of the big money making insurance companies. The poor pay their money to them under the guise of 'improved societies' acting for the government, so they are able to pose as benevolent societies. And consider the injustice to a charwoman who had as a woman, no voice in the making of that insurance law—a charwoman who makes perhaps two shillings a week, having to pay three pence a week toward her insurance. It takes her food from her, that is all."

"Our national law does not touch the causes of poverty. If we would but keep off the backs of the poor they'd do very well, but to exploit them and then dangle inadequate palliatives before their eyes, like dangling a turnip before a donkey, is a poor sort of social reform."

Mr. Lansbury took a hit at Lord Rosebery, who said recently that England didn't care about one eugenic baby, but that what it wanted was 300,000 any kind of babies.

"It's all very well to want 300,000 babies," he observed, "but how are they to be fed?"

Bride Burned to Death.

Troy, N. Y., Dec. 13.—Mrs. Charles Sommers, a bride of two weeks, died at her home, in Saratoga Springs, to-day from burns sustained when her dress caught fire yesterday. Mrs. Sommers was working about the range in her newly furnished kitchen, and in lifting a griddle over a wood fire her kimono became ignited.

Prendergast at Montauk Club.

Controller Prendergast was guest of honor last night at a dinner at the Montauk Club, Brooklyn. More than half the diners were Democrats, but Mr. Prendergast said there was no political significance in this fact, nor did he or other speakers dwell on the recent campaign. Among those who spoke were the Rev. John L. Belford, Representative William Calder, the Rev. S. Parkes Cadman, Borough President George McAnany and Borough President Louis H. Pounder. John J. Foote was toastmaster.

GUELPH TREASURE TO BE SEEN AGAIN

Relics, Including Tooth of John the Baptist, Will Be Returned to Brunswick.

(From The Tribune Correspondent.)
Berlin, Dec. 13.—What is known as the "Guelph treasure" will once again be available for public inspection, now that the young Duke of Brunswick, as the representative of the Guelph family, has ascended the ducal throne.

The treasure consists of more than eighty religious relics, which have passed through very troubled times and which have been moved from time to time for safety. In Napoleon's time it was taken to England, whence it was returned after the battle of Waterloo. It formerly belonged to the Cathedral of St. Blasius at Brunswick, and was originally much richer in relics than it now is. Some of the more valuable pieces were turned into money by the dukes of the seventeenth century, and the religious or anti-religious value of the others was not highly prized even in later times, when the Dukes of Brunswick adopted the tenets of the Reformed Church.

The treasure was placed in the Guelph Museum in the year 1861, but it was taken away again five years later. The treaty between Hanover and Prussia declared the treasure to be the private property of the Guelph family, and it was thereupon taken to Hietzing, where the King then resided. It was transported in 1893 to Vienna and exhibited in the Arts and Crafts Museum there until 1905, when the Duke of Cumberland had it transferred to his private enterprise, a Cistercian monk has written an exhaustive treatise upon the various units of the treasure, but this work has never been published to the world, though the duke has a copy of it.

In the original collection there was hardly a saint of note unrepresented by some relic. Included in the treasure are bones or other relics ascribed to St. Peter, St. Mark, John the Baptist, who is represented by a tooth; St. Blasius, Mary Magdalen, St. Bartholomew and many others. There is, or was, a splinter of the cross and a piece of the cloth worn by Jesus; there are also caskets made of copper, richly gilded and studded with precious stones, and several crosses richly ornamented with jewels.

It is expected that the whole collection will shortly be sent to Brunswick to be on exhibition there.

AID FOR BAYONNE BANK

Depositors Give Mayor Power to See Reorganizers.

Mayor M. T. Cronin of Bayonne was chosen chairman of the Depositors' Association by 350 depositors of the First National Bank of that city last night, and he was empowered to appoint a committee of five to confer with Thomas Brady and his associates, who had signified a willingness to take over the bank and reorganize it on a basis satisfactory to the federal authorities. This committee will be named to-morrow and will report at another meeting in the high school building on Tuesday evening.

The speakers at the meeting were Mayor Cronin, Judge Peter Stillwell, former Assemblyman Randolph Perkins, H. C. Colville, Thomas Garrett and Louis Kennedy, who urged the depositors to encourage the men who are willing to put the bank on a sounder basis than it has been on before.

The depositors favored the idea, but many of them were anxious to learn the inside workings responsible for the bank's failure.

"Wets" Win in N. W. Canada.

Winnipeg, Man., Dec. 13.—Twenty-six elections on local option were held in Saskatchewan this week, and complete returns to-day show the temperance forces carried only six towns. Nine municipalities that were "dry" went "wet" and eleven contests to prohibit licenses in liquor selling municipalities were won by the saloon forces.

PROUTY WARNS NEW HAVEN ROAD

No Rate Increase, He Says, Unless Money Is Spent Prudently.

ELLIOTT ASKS FOR HIGHER TARIFFS

He and Commerce Commissioner Share Applause at Dinner of Lotos Club.

Howard Elliott, chairman of the board of directors of the New Haven road, which is seeking an increase of freight rates, and Charles A. Prouty, chairman of the Interstate Commerce Commission, were the principal speakers at a dinner for them at the Lotos Club last night.

Chairman Prouty made it plain that the Interstate Commerce Commission will not grant the New Haven's rate increase until it is confidently assured that the profits will be prudently used. He said he had the utmost confidence in the integrity of President Elliott, but he said he couldn't be sure that Mr. Elliott would always be at the head of the road.

The report of the commission on the New Haven was defended by Mr. Prouty. He said the commission was not iconoclastic. It did not want to discredit the company, but its duty to the people compelled it to find the facts just as they were, and truthfulness was necessary to the protection not only of the stockholder but of the patrons of the road and the public generally.

Wants Federal Supervision.

Many are crying, "Let bygones be bygones," he said, but the Commission has nothing to show that the scandals of the last few years in the management of the New Haven may not be repeated. The only solution for the railroad problem, he said, is federal supervision of security issues and control of management to prevent railroads from dealing in the securities of other transportation companies.

Mr. Prouty said he realized he was facing a critical, if not hostile, audience, and he asked the members of the Lotos Club to try to take the point of view of the other fellow.

Many persons, he said, appear to think that everybody wants to confiscate everything. New Yorkers picture this horde as living on the Western plains, he said. Many persons are inclined to think that everybody else wants to steal everything in sight, and Westerners, he said, seem to think that all such live in New York and vicinity. In going about through the country, he said, he found the majority of people want to do the decent thing, if they only knew what that was.

Regarding Mr. Elliott, Mr. Prouty said, there may be many railroad presidents able in some directions, but he doubted whether there were any more apt to succeed in a tight place, such as the New Haven's new head finds himself.

The diners appeared to sympathize considerably with the speaker, and applauded him warmly when he advocated federal supervision of security issues. The club's specialty heretofore has been entertaining literary men, artists and diplomats, and the appearance of President Elliott and Chairman Prouty was a rather radical diversion from the custom.

Elliott Quotes Macaulay.

"When the question who was to head the New Haven came up last summer a friend of mine up in Vermont, who I supposed was fairly sensible, wrote to me that I was just the man for the place," said Mr. Prouty. "I wrote back 'I may get there yet, but I am not walking right into hell with my eyes open just now.'"

The speaker said he didn't believe Mr. Elliott knew what he was getting into when he left the Northern Pacific to come back to the section of his nativity to spend his declining years in peace and comfort.

Mr. Elliott read passages from Mac-

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| I | SONATA, Op. 58 | III | ETUDES, Op. 25, No. 11, A Minor |
| | Allegro maestoso | | No. 3, Key F |
| | Scherzo | | No. 9, G Flat |
| | Largo | | The Pianola |
| | Finale | IV | CONCERTO, Op. 21, F Minor |
| | The Pianola | | (Two Pianos) |
| II | TWO PRELUDES | | First Movement, Maestoso |
| | Op. 28, No. 20, C Minor | | Second Movement, Larghetto |
| | Op. 28, No. 21, B Flat | | MR. CHATFIELD, First Piano |
| | The Organ | | (Pianola) |
| | | | MR. ALLING, Second Piano |

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aulay, in which the historian predicted the fall of the United States from the "Huns and Vandals" within, meaning the socialist foreign born. He said he did not take any stock in such pessimism. He said he did think that too much regulation of the railroads would kill them. He said, in part:

"Some day, possibly not before the millennium, the people will reach the conclusion that there are only two ways of treating railroad business. One is to treat it as a function of government, and the other is to treat it as commerce, or business, subject to reasonable regulation. There is no middle ground."

"It is impossible in the long run to persuade private capital to invest in railroads if politicians and governmental bureaucrats are to exercise all the functions of ownership and management."

"It may be in the power of the government to destroy a part or the whole of the private capital which has heretofore been invested in the railroads on the the-

Le Pas, Manitoba, Fire-Swept.

Le Pas, Man., Dec. 13.—Le Pas, the new Hudson Bay Railway terminal town on the Saskatchewan River, was fire-swept this morning. An entire block of buildings and several others in adjoining blocks were burned. The loss was estimated at \$175,000. Many guests at two hotels that were burned fled in night attire.

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- \$275 to \$495 Plain and Fancy-draped Mole Coats—\$155 to \$295
- \$225 & \$250 Mole Coats—\$135 & \$150
- \$500 Chinchilla-trimmed Hudson Seal Coats—\$305
- \$350 Plain or Fitch-trimmed Hudson Seal Coats—\$250
- \$295 Caracul Coats—\$195—\$225 Hudson Seal Coats—\$165
- \$135 & \$195 French Seal or Caracul Coats—\$85 & \$125
- Fur-lined Motor Coats—formerly \$125 to \$250—at \$85, \$100, \$150
- \$2,500 Russian Crown Sable Set—\$1,500
- \$1,500 Handsome Silver Fox and Silver Cross Fox Sets—\$875
- \$325 & \$425 Silver Taupé Fox Sets—\$250 & \$325
- \$500 Fancy Mole Sets—\$350 \$395 Ermine-trim Mole Sets—\$295
- \$300 Fancy Mole Sets—\$195 \$250 Mole Sets—\$150

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